

Tennessee Real Estate news-journal

Department of Commerce and Insurance

Volume 15 / Number 3

An Official Publication of the Tennessee Real Estate Commission

Spring 2007

In This Edition

Locating Approved Education	2
Q&A	2
Disciplinary Actions	3
Risk Management	5
Rulemaking Hearing Information ...	6
Requests from the Commission	6
Commissioners and Staff	7

BE AMONG THE FIRST TO KNOW!

Receive the News-Journal and other updated information from the Real Estate Commission within minutes of issuance by subscribing at:
<http://regbdlst.state.tn.us>

TREC Official Manual Now Available for Purchase

TREC Manuals are available for purchase at LexisNexis. There is a link to the LexisNexis Bookstore on the TREC web site or it may be accessed directly at:

<http://bookstore.lexis.com/bookstore/product/7653.html>

By using this method the manuals will be edited and printed annually as opposed to every two to three years and the information needed by licensees will be more up to date.

ATTENTION

Principal Brokers and/or Office Managers

Affiliate licensure candidates often present their initial license applications which are incomplete. Lack of Proof of Education is the most problematic area. All Initial Affiliate Application packets must contain:

- The original blue application which is printed at the PSI Test Site with their picture in the upper left hand corner
- Proof of completion of the 60 hour pre-license course
- **Proof of completion of the 30 hour Course for New Affiliates – while this course used to be one that was completed AFTER licensure it has been a pre-requisite for licensure since 01-01-05**
- Proof of GED or High School Graduation (Proof of College Graduation acceptable)
- Proof of Errors and Omissions Insurance **if an Active license is desired**

Please work with licensure candidates to insure their application packets are complete. The licensure process can be expedited if calls and letters do not have to be generated to obtain statutorily required documents.

TREC Meetings Available for Viewing Online

The Commission meetings are now being video taped and can be viewed using a link on the TREC web site. The link can be accessed by selecting Commission Meeting Dates and then clicking

on the video access by the date of the meeting. January and February meetings were taped and then placed on the site. It is the plan that future meetings will be accessible live at the same site.



LOCATING APPROVED EDUCATION

The TREC web site has a listing of all approved schools and courses. When entering the area which houses this information, you will be asked for a login and password. The login is "guest" and the password is "report". We have been advised by our Information System Support Group, that this security procedure is necessary. The required words are also provided when you go to access the information.

The schools are listed in alphabetic order with school contact information and approved courses for each school below the school name. Approved courses may be in a classroom format or distance learning format and each course name is following by the format indicator. The following are the format indicators:

- Classroom (CR)
- Paper/pen correspondence (PP)
- Disk Based (DB)
- Internet (I)

Affiliate licensees who received their initial licenses on or after July 1, 2005 will need to complete 16 hours of continuing education prior to renewing their first and all subsequent Tennessee real estate licenses. Those 16 hours must consist of one 4 hour TREC CORE Course and 12 hours of approved elective real estate education. The curriculum of the TREC CORE Course is defined every two years and the current TREC CORE will be titled TREC CORE 07/08 which reflects the curriculum defined for 2007-2008. If an affiliate licensee were licensed in August of 2005 and took the TREC CORE 05/06 between that date and 12-31-06, that licensee has satisfied the completion of one TREC CORE Course and is not required to take the TREC CORE 07/08.

QUESTIONS, ANSWERS & Information About Education

- Q:** I have had an active affiliate license for the past 10 years. The license certificate on the wall states it expires August 22, 2007. How many hours of Continuing Education must I complete before August 22nd this year?
- A:** None. Due to the staggering of real estate license expiry dates, when this licensee renewed his/her real estate license which expired 12-31-06 the next license certificate was for a period of less than two years (7 months and 22 days to be exact). For any affiliate license awarded for less than a full two years, there is no continuing education obligation to renew that license.
- Q:** I have an active affiliate license which was awarded for the first time on August 23, 2005 and expires August 22, 2007. How many hours of Continuing Education must I complete before August 22, 2007?
- A:** Sixteen (16) hours – Four (4) of which must be a TREC CORE Course. Because the affiliate license was awarded for a full two (2) years, there is a continuing education obligation to renew that license. The curriculum of the TREC CORE Course is defined every two years (2003 and 2004, 2005 and 2006 and now 2007 and 2008). If this licensee took the TREC CORE 2005-2006 Course s/he need not complete the TREC CORE 2007-2008. Only one TREC CORE will be counted toward the total of 16 hours of approved continuing education required to renew this license.
- Please Note:** The affiliate continuing education requirement is tied to the length of the license. A license awarded for less than 2 years does not require continuing education for renewal of that license. A license awarded for a full 2 years does require continuing education for renewal of that license.
- Q:** I received my Broker License two (2) years ago and am in the process of obtaining the 120 hours of post-broker education. Does the Office Broker Management Course I completed to obtain the broker license count toward the 120 hours of post-broker education?
- A:** No – the Office Broker Management Course is a broker pre-license course and cannot count against the 120 hours of Post-Broker Education.

— DISCIPLINARY ACTIONS —

NOVEMBER 2006

VEDA L. WHITIS

Lic. No. 293645 (revoked)
Oneida, TN

The Commission, at a formal hearing on November 1, revoked the license of Veda L. Whitis and assessed a civil penalty of \$30,000.00 for improper, fraudulent or dishonest dealing.

NADINE YOUNG CUMMMNGS

Lic. No. PB252145
Nashville, TN

Ms. Cummings was assessed a civil penalty of \$1,000.00 for failure to exercise reasonable skill and care.

BARRY EVANS

Lic. No. BR215655
Hixson, TN

Mr. Evans was assessed a civil penalty of \$1,000.00 for failure to timely submit an offer.

HEMMERLY REALTY CO.

Now NEIGHBORHOOD REALTY
Lic. No. FM249586
Nashville, TN

This firm was assessed a civil penalty of \$750.00 for failure to notify TREC of the change of a firm address.

HILLWOOD REALTORS

dba PACESETTER PARTNERS
Lic. No. FM258287
Columbia, TN

This firm was assessed a civil penalty of \$250.00 for failure to timely deposit escrow money.

RACHELLE LOVE

Lic. No. AF304234
Millington, TN

Ms. Love was assessed a civil penalty of \$250.00 for an advertising violation.

PINEAPPLE REALTY, INC.

Lic. No. FM256485
Brentwood, TN

Pineapple Realty was assessed a civil penalty of \$500.00 for failure to properly disburse escrow funds.

JO ROTH

Lic. No. PB228409
Goodlettsville, TN

Ms. Roth was assessed a civil penalty of \$250.00 for misleading advertising and failure to exercise reasonable skill and care.

SHEILA RUNYON

Lic. No. BR224897
Clarksville, TN

Ms. Runyon was assessed a civil penalty of \$500.00 for failure to exercise reasonable skill and care.

DONNA S. SHELL

Lic. No. AF24953
Goodlettsville, TN

Ms. Shell was assessed a civil penalty of \$250.00 for misleading advertising and failure to exercise reasonable skill and care.

LARRY D. SILVEY

Lic. No. AF264251
Millington, TN

Mr. Silvey was assessed a civil penalty of \$250.00 for an advertising violation.

LINDA F. STARKEY

Lic. No. AF254815
Goodlettsville, TN

Ms. Starkey was assessed a civil penalty of \$1,000.00 for failure to exercise reasonable skill and care.

TN LAND PARTNERS, LLC

Lic. No. FM258724
Brentwood, TN

TN Land Partners, LLC was assessed a civil penalty of \$8,000.00 for paying unlicensed affiliates.

TOWN & COUNTRY HOMES REAL ESTATE

Lic. No. FM256508
Nashville, TN

Town & Country Homes Real Estate was assessed a civil penalty of \$250.00 for failure to timely deposit earnest money.

JOHN WALTON

Lic. No. AF275841
Memphis, TN

Mr. Walton was assessed a civil penalty of \$1,000.00 for failure to include all terms and conditions in a contract.

DECEMBER 2006

ROY B. HELTON

Lic. No. PB240970 (revoked)
Townsend, TN

The Commission, at a formal hearing in December, revoked the license of Roy B. Helton and assessed a civil

— DISCIPLINARY ACTIONS — cont.

penalty of \$10,000.00 for improper, fraudulent or dishonest dealing.

LISA HOLMES

Lic. No. PB276543 (revoked)
Cleveland, TN

The Commission, at a formal hearing on December 6, revoked the license of Lisa Holmes and assessed a civil penalty of \$10,000.00 for improper, fraudulent or dishonest dealing.

PIERCE PROPERTIES COMMERCIAL

Lic. No. FM259136
Lexington, TN

Pierce Properties Commercial was assessed a civil penalty of \$250.00 for failure to timely deposit earnest money.

REAL ESTATE INVESTMENTS, INC.

Lic. No. FM4166
Nashville, TN

Real Estate Investments, Inc. was assessed a civil penalty of \$1,000.00 for failure to timely deposit earnest money.

RELIANT REALTY, LLC

Lic. No. FM258664
Goodlettsville, TN

Reliant Realty, LLC was assessed a civil penalty of \$250.00 for failure to timely deposit earnest money.

LOIS RICHARDSON

Lic. No. PB25102
Oak Ridge, TN

Ms. Richardson was assessed a civil penalty of \$250.00 for failure to exercise reasonable skill and care.

SHOW CASE REAL ESTATE, LLC

Lic. No. FM256444
Nashville, TN

Show Case Real Estate, LLC was assessed a civil penalty of \$750.00 for failure to notify TREC of a change of firm address.

UNITED STATES EQUITIES, CORP.

Lic. No. FM58345
Franklin, TN

United States Equities, Corp. was assessed a civil penalty of \$350.00 for an advertising violation.

JANUARY 2007**ROBERT "BOB" VURNO**

Lic. No. AF296754
Clarksville, TN

After a formal hearing before the Commission Mr. Vurno's license was suspended for one year for misrepresentation on his application for licensure.

AMERICAN REALTY & CABIN RENTALS, INC.

Lic. No. FM256597
Sevierville, TN

American Realty & Cabin Rentals, Inc. was assessed a civil penalty of \$1,000.00 for failure to answer a complaint.

DAVID W. APPERSON

Lic. No. BR208780
Cordova, TN

Mr. Apperson was assessed a civil penalty of \$2,500.00 for failure to timely complete education.

MARY J. BAKER

Lic. No. PB250532
Cordova, TN

Ms. Baker was assessed a civil penalty of \$2,500.00 for failure to exercise adequate supervision.

VICKY W. CRIGGER

Lic. No. PB227532
Franklin, TN

Ms. Crigger was assessed a civil penalty of \$1,000.00 for failure to timely complete education.

KEVIN A. GHEENS

Lic. No. AF294489
Memphis, TN

Mr. Gheens was assessed a civil penalty of \$250.00 for failure to timely complete administrative measures.

RE/MAX ELITE

Lic. No. FM258351
Cordova, TN

Re/Max Elite was assessed a civil penalty of \$2,500.00 for failure to exercise adequate supervision.

STERLING REALTORS

Lic. No. FM257838
Nashville, TN

Sterling Realtors was assessed a civil penalty of \$250.00 for failure to timely deposit earnest money.

Offering Your Opinion On Areas Outside Your Expertise Can Be Risky

By: Maggie Knauss

Has a client ever asked you whether stakes in the ground represent the boundaries of a property or whether a crack in a basement wall appears to be serious? Have you ever been asked whether a damaged area of a wall appears to be termite or mold damage? Offering your opinion when asked questions like these may increase your risk. When your client is concerned about an issue that is outside the area of your expertise, you should recommend that your client retain a professional. While you may think the stakes in the ground (or even a fence) represent the boundaries of a property, you could be wrong and voicing your opinion could be costly.

We frequently see claims against real estate licensees where the licensee offered an opinion on an area outside his or her expertise and the licensee's opinion was later found to be incorrect. Offering your opinion regarding issues outside the area of your expertise can be risky. It is always best to let a professional address areas of concern regarding the condition or boundaries of a property.

If you are repeating information provided to you by another source,

you should always reveal your source. For example, if the property owner tells you that the boundary lines run with the fence, you should state, "The owner of the property tells me that the boundary lines run with the fence. However, I would recommend that you obtain a survey to determine the boundary lines if the location of the boundaries is important to you." This response discloses the source of your information, rather than providing your own opinion regarding the location of the boundaries. It also protects you from future problems with the boundary lines if you have recommended a survey. The best practice is to recommend in writing that the buyers obtain a survey. If repairs to the property are required for the closing, be careful not to tell the buyers that the repairs have been satisfactorily completed. It is better to have the seller, home inspector or contractor making the repairs provide a written report of the completed repairs. This clarifies that the information does not come from you and helps you avoid liability in the event that the repairs are not satisfactory.

It is also important not to make recommendations regarding the quality of a home inspector, surveyor,

or other contractor. When your client asks for a recommendation of a competent home inspector or other professional, it is better to provide a list of several professionals without making any recommendation. Providing a list will prevent the client from later claiming that you misrepresented the qualifications or quality of a contractor retained by the client. Since home inspectors are required to be licensed in Tennessee now, you should only list licensed home inspectors.

You should also remember that you may not recommend the services of another individual, organization or business entity in which you have an interest or from whom you may receive a referral fee without timely disclosing this information to the party receiving the referral or recommendation.

You can be helpful to your client without increasing your liability. Try to be aware of potential problems and avoid inadvertently causing yourself to be involved in a lawsuit by simply "trying to help" your client.

Ms. Knauss is an adjuster and the Claims Supervisor for Rice Insurance Services Company, LLC

Rulemaking Hearing – May 3, 2007

The Commission has scheduled a Rulemaking Hearing at the Davy Crockett Tower, Room 160, 500 James Robertson Parkway, Nashville TN beginning at 9:00 AM Central Time on Thursday, May 3, 2007.

Rules for Amendment:

- Applications for Examinations
- Fees
- Errors and Omissions Insurance Coverage
- Supervision of Affiliate Brokers
- Gifts and Prizes
- Purpose (Educational Requirements)
- Requirements for Courses
- Records (Education)
- Correspondence Courses
- Course Approval Periods



New Rules:

- Septic System Inspection Letters

To view the Rulemaking Hearing Notice in its entirety, go to the TREC web-site at:
www.state.tn.us/commerce/boards/trec

Requests From the Commission

With the onset of staggering license expiration dates, the Commission is asking all licensees to use information on the TREC web site to review their license status and Errors and Omissions coverage status to insure that licenses are renewed timely and insurance is in effect. This information can be found at:

<http://licsrch.state.tn.us/>

It is suggested you enter less rather than more information in the blanks available on that site. Your license number alone may be enough.

The Commission would also like to have licensees report education sessions which they consider are not useful. The information may be directed to Kathy M. Riggs, Ph.D., TREC Director of Education at kathy.riggs@state.tn.us

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 253-7685.



Tennessee Department of Commerce and Insurance.
Authorization No. 335101, 40,000 copies. This public document was promulgated at a cost of \$.22 per copy. (Rev. 8/06)

TREC Contact Information

(615) 741-2273 or (800) 342-4031

www.state.tn.us/commerce/boards/trec

Personnel & Areas of Responsibility

Administration:

Donna Hancock
Sharon Peebles

Administrative Assistance

Betsy Bowman
Kelly McDermott
Dee Mitchell

Office Manager:

Dennis Hodges

Board Meetings:

Dee Mitchell

Complaints:

Conell House

Education:

Kathy Riggs

Licensing:

Patricia Appleton
Hester Curtis
Kim Dorris
Gil Dyer
Rachel Fowler
Deborah Malugen
Karen Patton
Ruby Perry
Richard Thomas
Paula VanBuren

Reception & Records Management:

Ken Spurlock
Linda Wolfert

Errors & Omissions Insurance
Contractor for 2007-2008

Rice Insurance Services Company, LLC

Phone: (888) 248-2444
Fax: (502) 897-7174
Web: www.risceo.com

Department of Commerce and Insurance

Tennessee Real Estate Commission News-Journal

**Is published quarterly by the
Tennessee Real Estate Commission**

Members of the Commission:

CHARLES HAYNES, CHAIRMAN
Gallatin, TN

BEAR STEPHENSON, VICE CHAIRMAN
Clinton, TN

WENDELL ALEXANDER
Dresden, TN

GROVER COLLINS
Lewisburg, TN

GARY CUNNINGHAM
Nashville, TN

CAROL TATE
Memphis, TN

ADREN GREENE
Morristown, TN

ISAAC NORTHERN
Memphis, TN

Editor/Chief: Donna Hancock
Interim Executive Director

Editor: Kathy Riggs, Ph.D.
Director of Education

Tennessee Real Estate Commission

500 James Robertson Parkway, Suite 180
Nashville, TN 37243-1151

**Presorted Standard
U.S. Postage
P A I D
Nashville, TN
Permit #768**